From: Shea Lovan
To: Microsoft ATR
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Subject: Regarding the proposed settlement

As an systems administrator and software designer, I have followed the development of the information technology industry since the early 1990's; my profession requires it. The one thing that strikes me is that, as a consumer, I have *never* chosen a Microsoft product based on technical merits. In 1994, I commented to a colleague that, "I use Microsoft applications for the same reason I obey the law of gravity. I have no choice."

Instead, I have been backed into corners by Microsoft's licensing agreements with hardware vendors. At first (around 1993) the mediocre Word, Excel, and Access products were preloaded on newly purchased computers. Vendors would not remove the software and reduce the price to make it reasonable to purchase better, competing products (WordPerfect, Quattro, and Paradox). Their reason was that their agreement with Microsoft prevented it. Next, it was the debacle of Internet Explorer marginalizing Netscape Navigator. Later it there was the battle with Sun Microsystems over the Java programming language. Most recently, there is the incorporation of the Microsoft Media Player and Outlook Express into the operating system. In each of these cases, Microsoft's vaunted "ability to innovate" was lacking; these were poorly-written, knockoff products fighting for marketshare at the OEM licensing level.

While these issues were being debated, even more insidious things were happening. Sybase (a database application company) was nearly destroyed after a cross-licensing deal with Microsoft expired. Microsoft had learned what was necessary to create Microsoft SQL. There was the Microsoft's attempt to purchase Intuit (fortunately, this was halted by the Department of Justice) to consolidate control of the personal finance application market. Finally, there were all of the product press releases that were issued just to create fear, uncertainty, and doubt in the marketplace over purchasing software in segments which Microsoft had little or no experience (yet). None of these issues would have even arisen if not for the vast wealth Microsoft accumulated through its monopoly of desktop operating systems and arguable monopoly of office productivity suites.

Finally, we come to the futility of the proposed settlement. I find it hard to believe that anything Microsoft would agree to will be in the public interest. I had hopes for the consent decree agreed to in 1994. However, Microsoft vitiated that document within months even though it was relatively mild. Now, the situation is much graver. In 1994, Microsoft was not even a player in server operating systems. Since 1996, the corporation has successfully exploited its desktop monopoly and made Windows NT and Windows 2000 into widely deployed, server operating systems. The potential for abuse is higher now than at any earlier time.

When reading proposed remedies over the last few years, I actually thought that a breakup was the best from a consumer standpoint. However, I thought the proposed divisions were poor. For any remedy to be successful, I think it should satisfy the following:

- Network services should be developed by a separate organization than the operating system. For example, Microsoft SQL, SNA Server, and Internet Information Services should not be bundled into the operating system; competition suffers in that case.
- The unit developing applications (such as the Microsoft Office package or Internet Explorer) should not have access to any unpublished operating system information. All the programming interfaces (APIs) should be available to anyone developing software for that platform.
- Microsoft should be prevented from preannouncing products; it causes useful products to never make it to market for fear of being steamrolled. This restriction was, to my mind, a critical piece of the remedy in the IBM anti-trust case.
- Microsoft should have a period in which each product is licensed to OEM's separately. The damage is already done by the agreements made to promote Office by reducing Windows license fees, but the tactic would work again.
- The Findings of Fact must stand. Microsoft has been found guilty of violating the law. People and companies damaged by their actions should be able to recover damages without reproving that Microsoft is a predatory monopoly.

A breakup may not be necessary to affect these changes, but it seems likely.

In summary, I simply do not believe that the proposed settlement is satisfactory. It does little to curb current predatory practices and less to prevent creative minds from developing new ones within a few months. Any remedy should guard against future abuses and must preserve Microsoft's ability to innovate, but should force it to be at a level other than end-user licensing.

Sincerely yours, Shea A. Lovan

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